

SENATE BILL No. 1113

February 13, 2002, Introduced by Senators Bennett and Young and referred to the
Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of history, arts and libraries and certain other state purposes for the fiscal year ending September 30, 2003; to provide for the expenditure of those appropriations; to provide for the imposition of certain fees; to provide for the disposition of fees and other income received by the state agencies; to provide for reports to certain persons; and to prescribe powers and duties of certain state departments and certain state and local agencies and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

1 Sec. 101. Subject to the conditions set forth in this bill,
 2 the amounts listed in this part are appropriated for the
 3 department of history, arts and libraries for the fiscal year
 4 ending September 30, 2003, from the funds identified in this part.
 5 The following is a summary of the appropriations in this part:

6 **DEPARTMENT OF HISTORY, ARTS AND LIBRARIES**

7 APPROPRIATIONS SUMMARY:

8 Full-time equated unclassified positions. 6.0

9 Full-time equated classified positions 240.5

10 GROSS APPROPRIATION \$ 72,264,900

11 Interdepartmental grant revenues:

12 Total interdepartmental grants and

13 intradepartmental transfers 0

14 ADJUSTED GROSS APPROPRIATION \$ 72,264,900

15 Federal revenues:

16 Total federal revenues 7,111,300

17 Special revenue funds:

18 Total local revenues 0

19 Total private revenues 577,400

20 Total other state restricted revenues 1,900,900

21 State general fund/general purpose \$ 62,675,300

22 **Sec. 102. DEPARTMENT OPERATIONS**

23 Full-time equated unclassified positions 6.0

24 Full-time equated classified positions . 25.0

25 Unclassified salaries--6.0 FTE positions . . . \$ 211,300

26 Management services--24.0 FTE positions 2,117,300

27 Building occupancy charges and rent 2,739,300

28 Worker's compensation 34,000

1	Office of film and television services--1.0 FTE	
2	position	<u>143,500</u>
3	GROSS APPROPRIATION	\$ 5,245,400
4	Appropriated from:	
5	State general fund/general purpose	\$ 5,245,400
6	Sec. 103. INFORMATION TECHNOLOGY	
7	Information technology services and projects .	<u>\$ 1,166,100</u>
8	GROSS APPROPRIATION	\$ 1,166,100
9	Appropriated from:	
10	Special revenue funds:	
11	State general fund/general purpose	\$ 1,166,100
12	Sec. 104. COUNCIL FOR ARTS AND CULTURAL AFFAIRS	
13	Full-time equated classified positions . 10.0	
14	Administration--10.0 FTE positions	\$ 839,100
15	Arts and cultural grants	<u>23,542,600</u>
16	GROSS APPROPRIATION	\$ 24,381,700
17	Appropriated from:	
18	Federal revenues:	
19	NEA, national endowment for the arts	700,000
20	Special revenue funds:	
21	State general fund/general purpose	\$ 23,681,700
22	Sec. 105. MACKINAC ISLAND STATE PARK COMMISSION	
23	Full-time equated classified positions . 47.8	
24	Mackinac Island state park operations--22.8 FTE	
25	positions	\$ 1,541,300
26	Historical facilities system--25.0 FTE	
27	positions	<u>1,409,500</u>
28	GROSS APPROPRIATION	\$ 2,950,800

1	Appropriated from:	
2	Special revenue funds:	
3	Airport and park operation fees	76,400
4	Mackinac Island state park fund	1,037,600
5	State general fund/general purpose	\$ 1,836,800
6	Sec. 106. MICHIGAN HISTORICAL PROGRAM	
7	Full-time equated classified positions .	78.7
8	Historical administration and services--63.8 FTE	
9	positions	\$ 4,940,800
10	Federal programs--14.9 FTE positions	1,853,900
11	Heritage publications	700,000
12	Private grants and gifts	502,400
13	Thunder Bay national marine sanctuary and	
14	underwater preserve	<u>250,000</u>
15	GROSS APPROPRIATION	\$ 8,247,100
16	Appropriated from:	
17	Federal revenues:	
18	DOI-NPS, historical preservation grants-in-aid	1,348,000
19	Federal funds	505,900
20	Special revenue funds:	
21	Private-grants and gifts	400,000
22	Private-Mann house trust fund	102,400
23	Heritage publication fund	700,000
24	State general fund/general purpose	\$ 5,190,800
25	Sec. 107. LIBRARY OF MICHIGAN	
26	Full-time equated classified positions .	79.0
27	Library of Michigan operations--79.0 FTE	
28	positions	\$ 7,577,900

1	Collected gifts and fees	161,900
2	Book distribution centers	308,400
3	State aid to libraries	13,327,000
4	Grant to the Detroit public library	2,877,100
5	Grand Rapids public library	199,200
6	Subregional state aid	561,200
7	Wayne County library for the blind and	
8	physically handicapped	46,600
9	Library services and technology act	4,557,400
10	Renaissance zone reimbursement	<u>657,100</u>
11	GROSS APPROPRIATION	\$ 30,273,800
12	Appropriated from:	
13	Federal revenues:	
14	Library services and technology act	4,557,400
15	Special revenue funds:	
16	Private-gifts and bequests revenues	75,000
17	User fees	86,900
18	State general fund/general purpose	\$ 25,554,500

19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 GENERAL SECTIONS

22 Sec. 201. Pursuant to section 30 of article IX of the state
 23 constitution of 1963, total state spending from state resources
 24 under part 1 for fiscal year 2002-2003 is \$64,576,200.00 and state
 25 spending from state resources to be paid to local units of
 26 government for fiscal year 2002-2003 is \$32,668,200.00. The
 27 itemized statement below identifies appropriations from which
 28 spending to units of local government will occur:

1 DEPARTMENT OF HISTORY, ARTS AND LIBRARIES

2	Arts and cultural grants	\$	15,000,000
3	State aid to libraries		13,327,000
4	Detroit public library		2,877,100
5	Grand Rapids public library		199,200
6	Subregional state aid		561,200
7	Wayne County library for the blind and physically		
8	handicapped		46,600
9	Renaissance zone reimbursement		657,100
10	Total department of history, arts and		
11	libraries	\$	32,668,200

12 Sec. 202. The appropriations authorized under this bill are
 13 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 14 to 18.1594.

15 Sec. 203. As used in this bill:

16 (a) "Department" means the department of history, arts and
 17 libraries.

18 (b) "Director" means the director of the department of history,
 19 arts and libraries.

20 (c) "DOI-NPS" means the United States department of interior,
 21 national park service.

22 (d) "Fiscal agencies" means Michigan house fiscal agency and
 23 Michigan senate fiscal agency.

24 (e) "FTE" means full-time equated.

25 (f) "NEA" means the national endowment for the arts.

26 (g) "Subcommittees" means all members of the appropriate
 27 subcommittees of the house and senate appropriations subcommittees.

28 Sec. 204. The department of civil service shall bill

1 departments and agencies at the end of the first fiscal quarter for
2 the 1% charge authorized by section 5 of article XI of the state
3 constitution of 1963. Payments shall be made for the total amount
4 of the billing by the end of the second fiscal quarter.

5 Sec. 205. (1) A hiring freeze is imposed on the state
6 classified civil service. State departments and agencies are
7 prohibited from hiring any new full-time state classified civil
8 service employees and prohibited from filling any vacant state
9 classified civil service positions. This hiring freeze does not
10 apply to internal transfers of classified employees from one
11 position to another within a department.

12 (2) The state budget director shall grant exceptions to this
13 hiring freeze when the state budget director believes that the
14 hiring freeze will result in rendering a state department or agency
15 unable to deliver basic services, cause loss of revenue to the
16 state, result in the inability of the state to receive federal
17 funds, or would necessitate additional expenditures that exceed any
18 savings from maintaining a vacancy. The state budget director
19 shall report quarterly to the chairpersons of the senate and house
20 standing committees on appropriations the number of exceptions to
21 the hiring freeze approved during the previous quarter and the
22 reasons to justify the exception.

23 Sec. 206. (1) In addition to the funds appropriated in part 1,
24 there is appropriated an amount not to exceed \$1,000,000.00 for
25 federal contingency funds. These funds are not available for
26 expenditure until they have been transferred to another line item
27 in this bill under section 393(2) of the management and budget act,
28 1984 PA 431, MCL 18.1393.

1 (2) In addition to the funds appropriated in part 1, there is
2 appropriated an amount not to exceed \$1,000,000.00 for state
3 restricted contingency funds. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in this bill under section 393(2) of the management and budget act,
6 1984 PA 431, MCL 18.1393.

7 (3) In addition to the funds appropriated in part 1, there is
8 appropriated an amount not to exceed \$100,000.00 for local
9 contingency funds. These funds are not available for expenditure
10 until they have been transferred to another line item in this bill
11 under section 393(2) of the management and budget act, 1984 PA 431,
12 MCL 18.1393.

13 (4) In addition to the funds appropriated in part 1, there is
14 appropriated an amount not to exceed \$750,000.00 for private
15 contingency funds. These funds are not available for expenditure
16 until they have been transferred to another line item in this bill
17 under section 393(2) of the management and budget act, 1984 PA 431,
18 MCL 18.1393.

19 Sec. 208. Unless otherwise specified, the department shall use
20 the Internet to fulfill the reporting requirements of this bill.
21 This may include transmission of reports via electronic mail to the
22 recipients identified for each reporting requirement or it may
23 include placement of reports on an Internet or Intranet site.

24 Sec. 211. In addition to funds appropriated in part 1, the
25 department may accept contributions, gifts, bequests, devises, user
26 fees, grants, and donations. Funds accepted by the department are
27 appropriated and allotted when received and may be expended
28 immediately upon receipt or at any later time. Those funds that

1 are not expended in the current fiscal year shall not lapse at the
2 close of the fiscal year and may be carried over by the library of
3 Michigan for expenditure in the following fiscal years.

4 Sec. 259. From the funds appropriated in part 1 for information
5 technology, the department shall pay user fees to the department of
6 information technology for technology related services and
7 projects. Such user fees shall be subject to provisions of an
8 interagency agreement between the department and the department of
9 information technology.

10 Sec. 260. Amounts appropriated in part 1 for information
11 technology may be designated as work projects and carried forward
12 to support technology projects under the direction of the
13 department of information technology. Funds designated in this
14 manner are not available for expenditure until approved as work
15 projects under section 451a of the management and budget act, 1984
16 PA 431, MCL 18.1451a.

17 **DEPARTMENT OPERATIONS**

18 Sec. 301. (1) The appropriations in part 1 may be used for per
19 diem payments to the members of commissions, boards, or committees
20 for a full day of commission, board, or committee work at which a
21 quorum is present, for attending a hearing as authorized by the
22 respective commission, board, or committee, or for performing
23 official business as authorized by each respective commission,
24 board, or committee.

25 (2) The per diem payments shall be \$50.00 per day for all
26 commissions and boards.

27 **COUNCIL FOR THE ARTS AND CULTURAL AFFAIRS**

28 Sec. 401. (1) The Michigan council for arts and cultural

1 affairs in the department shall administer the arts and cultural
2 grants appropriated in part 1. The council shall provide for fair
3 and independent decisions on arts and cultural grant requests based
4 upon published criteria to evaluate program quality. This criteria
5 shall include a prohibition of art projects that include displays
6 of human wastes on religious symbols, displays of sex acts, and
7 depictions of flag desecration. The council shall seek to award
8 grants on an equitable geographic basis to the extent possible
9 given the quality of grant applications received. Priority shall
10 be given to projects that serve multiple counties and that leverage
11 significant additional public and private investment. Counties,
12 cities, villages, townships, community foundations, and
13 organizations, including science museums/centers, may apply for the
14 following categories of grants:

15 (a) Anchor organization program for organizations that serve a
16 statewide audience. Anchor organizations shall demonstrate a
17 commitment to education, to mentoring smaller organizations, and to
18 reaching underserved audiences.

19 (b) Arts projects program.

20 (c) Arts and learning program.

21 (d) Artists in schools program.

22 (e) Arts organization development program.

23 (f) Capital improvement projects.

24 (g) Local, regional, or statewide arts agencies services
25 program.

26 (h) Regional regranting program.

27 (i) Partnership program.

28 (j) Discretionary grants program.

(k) Rural arts and cultural projects.

Sec. 402. The appropriation for arts and cultural grants in part 1 and disbursed under section 401 shall, at a minimum, be matched on an equal dollar-for-dollar basis from local and private contributions paid and received by each awardee receiving grants under section 401. The dollar-for-dollar match may include the reasonable value of services, materials, and equipment as allowed under the federal internal revenue code for charitable contributions subject also to the preapproval of such a match by the Michigan council for arts and cultural affairs. The council shall receive proof of the entire amount of the matching funds, services, materials, or equipment by the end of the award period.

Sec. 403. Before any amount appropriated for arts and cultural grants in part 1 may be expended for a grant to eligible applicants for the purposes in section 401, the department shall execute a grant agreement with each grantee. The grant agreement shall specify the criteria included in section 401 with which the application complies. The grant agreement shall include a list of the projects funded.

Sec. 404. Counties, cities, villages, townships, community foundations, and organizations receiving funds under section 401 shall provide to the Michigan council for arts and cultural affairs a final report covering the grant period within 30 days after the end of the grant period indicating at least the following:

(a) Project revenues and expenditures indicating grant matching fund amounts.

(b) Number of patrons attracted or benefitting during the grant period.

(c) A narrative summary of each project and its outcomes.

Awardees receiving grants greater than \$100,000.00, shall also submit this same report on an interim basis by April 7 of the grant year.

Sec. 405. The applicants for arts and cultural grant funds shall be charged a nonrefundable application fee of \$100.00 or 1% of the grant, whichever is less. The application fee may be used by the department to recover direct and indirect costs as appropriated in part 1.

Sec. 406. It is the intent of the legislature that the Michigan council for arts and cultural affairs continue to take appropriate steps to ensure that all organizations receiving state arts anchor organization grants have combined grant awards, as defined in section 408, of no more than 15.0% of operating revenue for the fiscal year ending September 30, 2005 and beyond. As used in this section, "operating revenue" is defined in the same manner as it was defined during the fiscal year 2000 state arts anchor organization application process.

Sec. 407. The council shall continue and expand its efforts to encourage and support nonprofit arts and cultural organizations transitioning from solely volunteer-based organizations to professional directed operations. This includes the provision of funds and services from the arts organization development, partnership, arts projects, anchor organization and regional regranteeing programs as well as the rural arts and culture initiative to support professional development within these organizations. Criteria for support include the requirement of collaboration between these organizations and other community

1 organizations.

2 Sec. 408. Any organizations receiving grants within the anchor
3 organization program category in excess of 10.0% of their operating
4 revenue, as defined in section 406, for the fiscal year ending
5 September 30, 2002 shall not receive a combined grant award from
6 all grant categories, except the partnership program, that is
7 greater than the combined grant award from these categories that
8 the organization received for the fiscal year ending September 30,
9 2002.

10 Sec. 409. The council shall provide for fair, equitable, and
11 efficient distribution of funds granted through the regional
12 regranting program. The council shall provide for an annual
13 assessment of grant management and distribution of mini-grant
14 awards by designated regional regranting agencies and review the
15 methodology employed.

16 Sec. 410. The council shall make every effort to provide total
17 grant awards in the anchor organization program at a level not to
18 exceed 65% of the total amount appropriated for arts and cultural
19 grants.

20 Sec. 411. The department will submit two annual reports to the
21 state budget office and the appropriations subcommittees. The
22 first report will be due 30 days after the annual grant awards are
23 made by the council. The report shall contain:

- 24 (a) A listing of each applicant.
- 25 (b) The county of residence of an applicant.
- 26 (c) The amount awarded.
- 27 (d) The amount requested.
- 28 (e) The grant category under which an applicant applied.

1 (f) The expected number of patrons for an applicant during the
2 grant period.

3 (g) The amount of matching funds proposed by an applicant.

4 (h) The review score for each application.

5 (i) A listing with the information in items a through c above
6 for any regranted funds in the preceding fiscal year.

7 The second report will be due when materials are first
8 distributed by the council seeking grant applications for the
9 following fiscal year. The report shall contain:

10 (a) The guidelines by which the council will award grants.

11 (b) A summary of any changes in the program guidelines from the
12 previous fiscal year.

13 (c) A summary of any initiatives the council is taking to
14 improve public access to the arts and culture, including the use of
15 technology applications.

16 **MICHIGAN HISTORICAL PROGRAM**

17 Sec. 501. The federal funds appropriated in part 1 for the
18 historic site preservation grants are for work projects and shall
19 not lapse at the end of the fiscal year but shall continue to be
20 available for expenditure until the projects for which the funds
21 were reserved have been completed or are terminated. The purpose
22 of these work projects is the identification, designation, and
23 preservation of historic resources. The method used will be to
24 solicit applications from eligible recipients, score applications
25 based upon established criteria, and award the contracts and
26 subgrants. The total cost is \$1,348,000.00 and the tentative
27 completion date is September 30, 2003.

28 Sec. 502. Funds collected by the department under sections 3,

1 6, 7, and 7a of 1913 PA 271, MCL 399.3, 399.6, 399.7, and 399.7a,
2 are appropriated to the department for the purpose for which they
3 were received and shall not lapse to the general fund at the end of
4 the fiscal year.

5 Sec. 503. For purposes of administering the museum store as
6 provided in section 7a of 1913 PA 271, MCL 399.7a, the department
7 is exempt from section 261 of the management and budget act, 1984
8 PA 431, MCL 18.1261.

9 Sec. 504. (1) From the state funds appropriated in part 1, the
10 department may award discretionary historical grants to preserve
11 Michigan lighthouses. The department may award up to \$152,700.00
12 in grants for this purpose and may use a portion of those funds to
13 assist in the transfer of lighthouses from federal ownership. A
14 portion of the funds may also be dedicated to program
15 administration and project coordination.

16 (2) The department shall allocate grant funds pursuant to
17 eligibility and scoring requirements established by the department.
18 The method used will be to solicit applications from eligible
19 recipients, score applications based on the established criteria,
20 and award grants through executed contracts.

21 (3) Grants may be awarded for purposes of stabilization,
22 rehabilitation, or other preservation work on a Michigan
23 lighthouse, but shall not be awarded for operational purposes. The
24 department shall not allocate a grant that exceeds \$40,000.00.

25 (4) The funds appropriated and allocated by this section are
26 for work projects. The funds shall not lapse to the general fund
27 at the end of the fiscal year but shall remain available in
28 subsequent fiscal years, until funds have been expended, the

1 projects for which the funds were reserved have been completed, or
2 the projects are terminated, whichever occurs first. The tentative
3 date for completion is September 30, 2004.

4 Sec. 505. From the funds appropriated in part 1 for historical
5 administration and services, \$71,200.00 shall be allocated to
6 support the operations of the Michigan freedom trail commission as
7 specified in section 4 of the Michigan freedom trail commission
8 act, 1998 PA 409, MCL 399.84. These funds shall be used to
9 reimburse commission members, to pay for necessary contractual
10 services of the commission, and to hire not more than 1.0 FTE
11 position in the department's Michigan historical center to support
12 commission operations.

13 Sec. 506. (1) In addition to the funds appropriated in part 1,
14 the department shall collect an application fee of \$250.00 for each
15 application submitted under section 1 of 1955 PA 10, MCL 399.151,
16 for property designated as a state historic site.

17 (2) The department shall deposit the fees collected under
18 subsection (1) in a separate revolving fund. Any revenue remaining
19 in the fund at the end of the fiscal year shall not lapse to the
20 general fund but shall remain available for future expenditures.
21 The department may expend any revenues in the fund immediately upon
22 receipt. Expenditures shall be made only for the purpose of
23 correcting, repairing, or replacing numbered markers erected
24 pursuant to section 2 of 1955 PA 10, MCL 399.152.

25 **LIBRARY OF MICHIGAN**

26 Sec. 651. The appropriation in part 1 to the library of
27 Michigan, for subregional state aid, shall not be expended unless
28 the local unit of government agrees to not reduce local support

1 below the level of local support expended for subregional library
2 services in the local unit of government's immediately preceding
3 fiscal year. A reduction in local expenditures that equally
4 affects all agencies within a local unit of government shall not be
5 interpreted as a replacement of local financial or in-kind support
6 with state aid funds.

7 Sec. 652. The appropriation in part 1 for a subregional
8 library, shall not be released until a budget for that subregional
9 library has been approved by the department for expenditures for
10 library services directly serving the blind and persons with
11 disabilities. Subregional state aid shall be used only for
12 providing services to the blind and to persons with disabilities.

13 Sec. 653. The appropriation in part 1 for statewide database
14 access, shall be used only for making computerized databases,
15 searches of those databases, and the products of those searches,
16 available through the libraries of Michigan. Only those libraries
17 that qualify under the federal library services and technology act,
18 subtitle B of title II of the museum and library services act,
19 Public Law 94-462, 110 Stat. 3009-901, are eligible to participate
20 in this project.

21 Sec. 654. From the state general fund/general purpose
22 appropriation in part 1, there is allocated \$657,100.00 to
23 reimburse public libraries as provided by section 12 of the
24 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692, for
25 property taxes levied in 2002. Reimbursements shall be made in
26 amounts to each eligible recipient not later than 60 days after the
27 department of treasury certifies to the department that it has
28 received all necessary information to properly determine the

1 amounts due each eligible recipient under section 12(4) of the
2 Michigan renaissance zone act, 1996 PA 376, MCL 125.2692. Any
3 excess allocations shall lapse to the general fund.